

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1807 – SB 2231

March 14, 2018

SUMMARY OF ORIGINAL BILL: Authorizes the Department of Agriculture (DOA) to cooperate with the United States Food and Drug Administration (FDA) under the standards for growing, harvesting, packing, and holding of produce for human consumption.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Federal Expenditures – \$732,000/FY18-19
\$769,300/FY19-20
\$832,200/FY20-21
\$832,200/FY21-22

Other Fiscal Impact – Potential increases in federal expenditures in FY22-23 and subsequent years. The exact amount of any such increases, if any, is unknown but reasonably estimated to exceed \$832,200 per year.

The Governor's recommended budget for FY18-19, on page B-309, recognizes \$732,000 in federal revenue as part of the total revenue funding amount of \$3,294,100 for consumer and industry services.

SUMMARY OF AMENDMENT (014671): Deletes all language after the enacting clause and rewrites the proposed legislation to prohibit expenditures from state funds for enforcing the standards against agricultural producers that only make sales of produce to a consumer or a restaurant or retail food establishment located not more than 275 miles from the farm where the produce was produced, and to prohibit the DOA from expending more funds than it receives from the federal government. Establishes that this Act shall cease to be effective on June 30, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Federal Expenditures – \$732,000/FY18-19
\$769,300/FY19-20
\$832,200/FY20-21

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The Governor's recommended budget for FY18-19, on page B-309, recognizes \$732,000 in federal revenue as part of the total revenue funding amount of \$3,294,100 for consumer and industry services.

Assumptions for the bill as amended:

- The proposed legislation authorizes the DOA to enter into a cooperative agreement with the FDA for the purposes of implementing the provisions of the Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption compiled in 21 C.F.R. Part 112.
- The DOA will make inspections and promulgate rules in relation to the implementation of the standards.
- Upon entering into the cooperative agreement, the DOA will receive federal funds for personnel relative to inspections and enforcement. The proposed legislation will increase federal expenditures. Any increase in state expenditures associated with implementation of the standards will be not significant.
- The DOA is receiving an initial five-year award from the FDA, including funding already received in FY17-18, and has estimated funding amounts through FY20-21. Funding in FY18-19 through FY20-21 is contingent upon passage of this legislation.
- The estimated increase in federal expenditures is estimated to be \$732,014 in FY18-19, \$769,330 in FY19-20, and \$832,164 in FY20-21.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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